



State of Washington  
Department of Revenue

# Excise Tax Advisory

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Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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## VALUE OF MATERIALS USED BY PRODUCER IN PERFORMANCE OF PUBLIC ROAD CONTRACT

Issued July 1, 1966

What is the measure of the value of asphaltic mix which is produced at a permanent plant and is used by the producer of such asphaltic mix in performing a public road contract?

Taxpayer made sales of asphaltic mix to a county and also used asphaltic mix in performing public road contracts.

RCW 82.12.010(1) requires that the measure of the Use Tax on manufactured articles be the retail selling price at the place of use of similar products of like quality and character. Rule 134 provides that only where there is an absence of sales of similar products can such value be determined on a cost basis.

The retail selling price contemplated is that which the taxpayer would be required to pay and not necessarily the price at which the taxpayer makes sales to a county. Where there is no evidence adduced to show the usual or established retail selling price, the value of the asphaltic mix produced by the taxpayer for its own use may be determined on a cost basis.

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***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.***

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